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ABSTRACT

A case study of a contract college involving Union College and Union County Technical Institute in New Jersey is presented. The arrangement between these two colleges provides the county with the services and facilities of two community colleges, one specializing in technical and career programs and the other in academic courses. Historical information on the two colleges is briefly presented, and the working arrangement of the consortium through the Union County Coordinating Agency is described. Among the many responsibilities of the Agency is determining the needs of the county with respect to public higher education at the two-year college level. The agency procures educational services from the two institutions and compensates them with state and county monies. It also enables the two institutions, through their own contract, to offer special programs by which students on one campus may take courses on the other. Additionally, students at the Union County Technical Institute can receive the Associate in Applied Science degree granted by Union College. The agency was designed to be weak; all managerial powers were left to the institutions. Based on difficulties encountered in the cooperative arrangement, it is recommended that compliance with the regional accrediting authority be checked, and that mechanisms to assure accountability of public funds be enforced. (SW)

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CASE STUDY #3:
THE "CONTRACT COLLEGE" TYPE:
UNION COUNTY COORDINATING AGENCY FOR HIGHER EDUCATION

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U.S. DEPARTMENT OF EDUCATION
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SHEEO

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"Case Study #3: The 'Contract College' Type:
Union County Coordinating Agency for
Higher Education

by

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for Higher Education

The Union County Coordinating Agency for Higher Education provides the means by which Union County in New Jersey makes immediate and extensive use of two existing educational institutions, Union College (in Cranford) and Union County Technical Institute (in Scotch Plains), to secure for the residents of the county the services and facilities of a community college. This undertaking in Union County is significant for two main reasons:

(1) It provides an example of two ongoing institutions in consortium to do the work of a community college (one specializing in technical and career programs, the other in academic courses); and

(2) It provides tangible evidence of a "private" college involved in providing community college services and so designated both by statute and in practice.

History

Union College was started as the first (and very experimental federally financed two-year college under the Works Progress Administration in 1933. Serving the location in the absence of any

community college legislation in New Jersey for many years, the college acquired strong local citizen support. It was organized as an independent two-year institution, dependent mostly upon student tuition. So Union Junior College (later Union College) was continuing in the 1960s, when community college legislation came to New Jersey.

Meanwhile, in 1959 the public Union County Technical Institute had been founded under provisions of a New Jersey law providing for high school and post-high school vocational and technical training. Inasmuch as the Union College programs had developed mainly as academic and transfer courses at the collegiate level, the appearance of the technical institute supplemented the services of the college. A degree of cooperation developed, and leading citizens assisted and advised both schools. The presidents of the two institutions met often and worked closely together. Both served on a special committee appointed to look into the needs in higher education in the country. By this time it was evident that both schools were providing many of the services of a community college.

As the proposed legislation for a state system of two-year colleges came before the legislature, assemblymen and the state senator from Union County (all of whom had been well informed of the ongoing resources the county enjoyed in having Union College and Union County Technical Institute) sponsored successfully a rider to the state community college law enabling the county to contract for two-year-college services. This was followed up with legislation in 1969 establishing the Union County Coordinating

Agency for Higher Education, with its own local nine-member board. Appointments are made by the county board of freeholders. The passage of the enabling legislation and its implementation through appropriation and endorsement at the county level (in New Jersey State and county are about equally responsible for financial support of community colleges) were notably achieved through full bipartisan support. The proposal was at no time a political issue.

Perhaps one means of measuring properly the significance of this particular experiment in cooperation and the focus surrounding it is to consider the alternative. In those years when the Union County plan was being ratified, many other New Jersey counties were embarking upon new community colleges. The capital costs alone ranged from six to twenty-five million dllars. It is estimated that for a county the size of Union County the initial capital costs would have been at least $10 million and would have reached $20 million quickly in a necessary second stage of development. Moreover, new colleges had to assemble administrators and staffs and faculty, purchase equipment, build libraries, assemble programs, and do a host of other things before even opening their doors. Beyond this, they would have to wait several years to demonstrate their entitlement to regional accreditation. All this Union County had going for it right from the start.

The Arrangement

The Agency, established in 1969 and functioning ever since then, is charged with the duty of determining the needs of the county with respect to public higher education on the level of the

first two years of education beyond high school; and it is also charged with determining to what extent existing institutions located in the county shall be utilized to meet such needs in whole or in part, and for planning for the future development of the institutions. It coordinates the operations and facilities of the two institutions for the maximum service of the citizens of Union County; collects state and county education allocations; and, in accordance with contractual arrangements made with each institution, reimburses these institutions for services rendered. This is done in accordance with the provisions of Chapter 180, Laws of 1968 of New Jersey, a special act providing for the establishment of such an agency in a county desiring to avail itself of existing independent two-year-college facilities. In 1969, contracts were drawn up and signed between the agency and the college, between the agency and the institute, and between the college and the institute. This triangulation of agreements enables the agency to procure educational services from the two institutions and to compensate for the rendering of such services in accordance with county budgetary provisions and with the approval of the chancellor and the state board of higher education. It also enables the two institutions, through their own contract, to offer special programs by which students on one campus may take courses on the other; and it specifically provides that Union County Technical Institute students in approved college-level programs will receive the Associate in Applied Sciences degree bestowed by Union College by authority of the state board of higher education. These articles

of agreement were approved by the chancellor and the state board of higher education in 1969 and went into immediate effect. This marked a milestone in New Jersey education for the utilization of resources, both independent and public, cooperating together to widen educational opportunity and avoiding costly and inefficient duplication of programs and facilities. The relationship is not managerial. It is supervisory, advisory, and visitorial.

Each institution has the opportunity to shape creatively its own character and role. At the same time, through the agency the two institutions coordinate their programs and facilities as much as possible with each other for the welfare of the entire county.

Each institution has its own distinctive educational offerings. The programs at Union County Technical Institute are primarily technical and business courses, health related courses, programs for two years or less, designed to meet the many-faceted needs of business, industry, governemtn agencies, and the professional and semi-professional demands of the county. Union College, developing in a tradition of close cooperation with four-year colleges and universities dating back to its founding in 1933, has emphasized curricula in the liberal arts, science, engineering, and business administration. The offerings in evening, special, and continuing education are offered on both campuses.

In accordance with the arrangement provided for by statute and in the contracts with Union College and Union County Technical Institute, the agency receives monies from the state and the county and then, in turn, forwards payments to both institutions for proportionate services rendered.

For purposes of funding at the state level, the agency is treated in the same manner as other community colleges in the state, that is, state funds are allocated on an FTE basis. At the county level, the agency submits its budget to the county department of finance for review, inclusion and approval in the county budget process.

The importance of the Union County innovation in higher education in providing direct and sharp lines of communication may well turn out to be one of its most influential contributions. Through regularly scheduled meetings, systematic reports, constant contact, and recurrent review, the agency and cooperating institutions together exert a systematic effort not only to respond to the needs of the county but to improve and make more effective the existing programs and offerings. The agency, moreover, by positive teamwork with the two institutions, can provide a continuing evaluation of the scope and effectiveness of the offerings of both. The agency also is responsible for keeping the freeholders and other county officials informed of important developments in the field of higher education. Through frequent distribution of reports and a newsletter, the agency provides concise and regular information to freeholders and others.

Observations

The system has continued to grow and we have been able to cope with that growth despite declining state funding and a constant level of county funding. Today, there are approximately 6300 FTE's in the Union County System, and an approximate head

count of 20,000 students. The county has the fifth lowest FTE cost in the state. The range of program offerings is among the broadest in the state, and we are the leaders in allied health programs and health care facilities. In addition, we have subcontracted, through Union College, with several existing hospital programs in the county to broaden our offerings.

Until very recent times, the Agency has operated free of political interference.

While the arrangement has had a number of accomplishments, it has had its share of problems also.

When the arrangement was conceived, it was anticipated that the institutions would be tied together much more closely. This has not happened for a number of reasons and, as a result, other problems have developed.

Structure of the Agency

The Agency was designed as a weak agency. All managerial powers are left to the institutions. The contracts between the agency and the institutions are vague, and contain a provision for automatic renewal. The previous executive director of the Agency was a part-time employee. The Agency currently has only one staff person. The board of the Agency is comprised of two representatives from each institution, four members from the public-at-large, and the county superintendent of schools. Up until last May, the board met only five times a year. In addition, the institutional representatives were the dominant personalities on the board. In short, the agency has followed the path of other public

regulatory agencies; it has tended to become the captive of the firms (institutions) that ostensibly they regulate.

Competitive Institutions

With accountability defined in only the most general terms, and agency oversight by committee, institutional cooperation gave way to competition. As a result, the Agency found itself funding duplicate functions and services as each institution sought to build its empire.

Middle States Association

The Commission on Higher Education of the Middle States Association of Colleges and Secondary Schools is a voluntary accrediting agency that accredits institutions according to certain criteria that encourage institutional excellence. Since their two-year follow-up visit, the Association has expressed its concern about the contractual relationships between Union College and Union County Technical Institute. A letter from the Association in July, 1976, stated:

> "The Commission expressed its continuing concern with the viability of Union College's relationship with Union County Technical Institute as a long-term arrangement and requested information and/or documentation by April 1, 1977 on (1) the type and degree of control which the College exerts over the programs of UCTI leading to the Associate degree and (2) any developments or changes in the structure or organization of the coordinating agency."

The Middle States' "Interim Guidelines on Contractual Relationships With Non-regionally Accredited Organizations" are clear regarding control of course offerings, faculty, student records, and student services. The Guidelines also treat of the

contract, enrollment agreement, tuition policies, and student recruitment. As of this date, the College exercises little or no control over these functions as they relate to Union County Technical Institute.

Chancellor of Higher Education

The Chancellor, in a recent memorandum concerning the role of the Agency, could see little progress in clarifying the role of the Agency. His memorandum made six specific requests and ended with the threat:

> "If evidence of progress toward true coordination under the present statute is not forthcoming according to the above requirements, I will request that the Board of Higher Education reassess its recommendation for state assistance to such an agreement."

The Chancellor expressed fear that "The Agency has never been able to escape the dominance of institutional interests and, whether consciously or not, the institutions have tended to manipulate the Agency so that it would seldom if ever seriously consider or take an action which was not acceptable to the institutions."

Department of Education vs. Department of Higher Education

There is a conflict at the state level between these departments. Union County Technical Institute is chartered as an institution of secondary education, not an institution of higher education. As a result, the Department of Education has raised the question of licensure or certification for faculty teaching at the Institute. In addition, the funding of various facilities and programs has been questioned, since the institution also functions as the County Vocational School.

The Future

A combination of economies and pressures from Middle States, from the Chancellor of Higher Education, and the licensure question requires a "bite the bullet" approach now on the part of the Coordinating Agency. The thesis that I offer here is that attempts to deal with significant integration of the institutions have failed precisely because there has been a reluctance to confront the real issue — the question of institutional relationships within the system.

The Agency must not appear unwilling to excercise its power The two county educational institutions depend on the Agency for a substantial part of their operating budgets. That fact gives the Agency great clout which it should use.

The enabling legislation provides that the contract "shall provide that expenditures...shall be made under the supervision of the agency and exclusively for the purposes and program approved by it." The agency has a defined role in the preparation of the annual budget of the two institutions. In addition, the agency has approval over new academic programs.

Regarding the composition of the board, the Agency currently has a bill in the legislature to increase the public representation on the Agency board by two members.

At the staff level, the agency has committed itself and budgeted for additional staff members by July 1st.

The Agency staff would have the responsibility and capacity to monitor the academic programming and research and the needs of the county, to design and implement an agency public and legislature

relations program, and to monitor both budget preparation and expenditure including resource development from private as well as governmental sources.

The agency is rectifying the contractual relationship with each institution. Notice has been served to each institution that the current contracts will be terminated as of June 30 and a new contract offered for their consideration. While the exact method of implementation has not been determined, one possible scenario is that the Agency should have one contract - with Union College - to provide the programs and services of a comprehensive community college for the residents of Union County. The College, as prime contractor, could then sub-contract with the Institute, hospitals, or any other appropriate agency in order to meet the requirements of its contract with the Agency.

In addition, all operational functions should be centralized at the College under such a contract. This in essence places total responsibility, authority, and control for the educational program on Union College by the Agency and should provide the impetus for greater articulation and involvement for technical education programs.

The argument for such an arrangement is as extensive as it is obvious. The Agency's role become defined, finally, as "co-ordinating," accountability lines are established much more clearly; all students are enrolled at Union College and legitimate Middle States concerns about degree granting are eliminated; some economies not possible under the present contractual arrangements

can be insisted upon by the Agency and effected by the College; and finally, the Agency's use of power and the generation and implementation of a Master Plan for Union County respond to the Chancellor's concerns about the effectiveness of the Agency.

I trust you find this brief overview of the unique arrangement in Union County of value. Based on this experience, I would urge those of you involved in similar arrangements to recheck compliance with your regional accrediting authorities, and ask what mechanisms are provided in the arrangement to assure accountability of public funds.

I wish to thank Dr. Kenneth C. MacKay, Former Executive Director of the Agency, for his assistance in preparing parts of this paper.